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national farmers union

In Union is Strength

ada. *Parliament. House of Commons.* (3)

Brief to Members

of the

Standing Committee on

Finance, Trade and Economic Matters

House of Commons

re: Bill C-2

Brief

An Act to amend the Combines Investigation Act and
the Bank Act and to repeal an Act to amend an
Act to amend the Combines Investigation Act and
the Criminal Code

presented at

Ottawa, Ontario

April 2, 1975

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Brief to Members
of the
Standing Committee on
Finance, Trade and Economic Matters
House of Commons
re: Bill C-2
Ottawa, Ontario
April 2, 1975

1. The National Farmers Union welcomes this opportunity of presenting some of our views concerning Bill C-2 to the Standing Committee on Finance, Trade and Economic Matters.
2. As producers and consumers, we farmers have become increasingly aware of the power large corporations have exerted to determine what is produced, where and how it is produced, the quality and quantity of production, and often, the prices at which both inputs to and outputs from various production processes are bought and sold. The National Farmers Union looks to the federal government to provide the legislative framework within which individuals and institutions will be able to analyse, understand and ultimately control the varied impacts of corporations and technology on our lives.
3. Bill C-2 proposes some significant extensions and developments, outlined below, in Combines law which has traditionally challenged more blatant abuses of industrial and commercial power after these have occurred. A more comprehensive approach to competition policy and industrial strategy for Canada would require from complementary legislation one neglected but basic prerequisite of a workable and fair competitive system- i.e., public access to full disclosure of product-line financial information from all, including closely-held, corpora-

tions. The passage of Bill C-29 with its less stringent disclosure requirements leads us to believe that the government may cherish secrecy and the protection of industrial privilege more than it does participatory and anticipatory democracy.

4. We welcome the extension of the Combines Investigation Act to services not previously within its jurisdiction.

5. The National Farmers Union believes that a clause should be added to Section 4 of the Act worded as follows:

4. (1) (e) contracts, agreements or arrangements between farmers or associations of farmers and persons or associations of persons engaged in the buying or processing of food relating to the prices, remuneration or other conditions under which food will be produced and supplied to such persons by farmers.

6. We question whether exemption under Section 4.1 of securities dealers engaged "in the business of dealing in securities that relates only to the underwriting of a security" from Sections 32 and 38 of the Combines Investigation may not result in assistance to effective violations of provisions of those sections through a process of dissolution of two or more existing companies which merge through incorporation as a new corporate entity. The maintenance of artificially high security prices might also be contemplated. In our opinion, the proposed exemption should be dropped from the legislation.

7. The National Farmers Union proposes that Section 16 of the Act should be further amended to provide that no vacancy should persist for longer than a month or two at most in any membership of the Restrictive Trade Practices Commission.

8. We believe that the proposed Section 31.1 (1) would be a more effective deterrent were provision made for the award of up to triple damages (as under U.S. legislation) to a person or persons for losses or damage resulting from contraventions of Part V or failure to comply with an order of the Restrictive Trade Practices Commission or a court

of competent jurisdiction.

9. The proposed addition to Section 34 of subsection 4 (b) would, in our opinion, sanction the discrimination exercised by Canada's banking sector in lending to large corporate borrowers at more favorable rates than those extended to smaller but low risk businesses and individuals. We suggest that 34.4 (b) be dropped.

10. As indicated in paragraph 3, the National Farmers Union believes that "competition" per se is a process deserving of more scrutiny than praise in our era. Where it involves genuine efforts to innovate and inform people of better and less expensive goods and services, it can be beneficial. Where "competitors" endlessly repeat advertising skits and slogans to keep their brand names in the public consciousness, it seems wasteful of resource and communications time and consumer dollars. Where the structure of agriculture and urban land use is determined by disproportionate economic purchasing power of large developers and corporations striving for greater vertical, horizontal or conglomerate control over production and markets, the damage to our quality of life may be incalculable.

11. At the national level, we believe that revisions to strengthen Combines Investigation Act provisions concerning mergers and monopolies are urgently needed. We look forward to reviewing and commenting on Stage II proposals which are to be introduced, we understand, within a year.

12. Internationally, the National Farmers Union believes Canada and the U.S. may now be reaping some effects of past failure to devise more effective and equitable competition policy. Had western industrial cartels been more constrained, that of the OPEC might not have formed or might be less willing to charge "what the market will bear" now.

It is appropriate, we believe, for Canada to urge and participate in formulating an international competition policy and founding an agency, perhaps under U.N. auspices, to administer this.

The foregoing respectfully submitted by
THE NATIONAL FARMERS UNION

